

Mar. 17, 2016



DIV: OF OIL, GAS & MINING

Paul B. Baker, Mining Program Manager State of Utah, Div. of Oil Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114

RE: Revisions Requested on M/029/0008 in Feb. 18, 2016

Dear Mr. Baker,

In response to your letter dated Feb. 18, 2016, I have printed off the surety calculations that Granite did for their original NOI and it appears that there is some information missing. So my initial intent was to use what they had come up with and just insert the updated Means rates to bring it current. Then when I couldn't figure out what they had done, I recreated the surety calculations based on the format and procedure I have used on all the other NOIs that I have created. Obviously, I did this using the mine plan drawings that Granite had done in 2011. I am just not having any luck with figuring out what Granite did then. That is really a moot issue anyway. The question should be, does the new Surety Calculations reflect what it will need to take place there and I think they do.

Sincerely

Brent R. Sumsion

Property and Environmental Manager